

Article - State Finance and Procurement

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§5A-327.

- (a) (1) In this section the following words have the meanings indicated.
- (2) “MHT Loan Fund” means the Historic Preservation Loan Fund of the Trust.
- (3) “MHT Loan Program” means the Historic Preservation Loan Program of the Trust.
- (b) (1) There is an MHT Loan Program in the Trust.
- (2) The purpose of the MHT Loan Program is to implement and encourage the preservation of historic properties.
- (3) The Trust shall administer the MHT Loan Program and coordinate the MHT Loan Program with federal and State programs that complement or facilitate carrying out the MHT Loan Program.
- (c) There is an MHT Loan Fund in the Trust.
- (d) The MHT Loan Fund may be used:
 - (1) to pay administrative costs directly related to the MHT Loan Program;
 - (2) to pay for the Trust to acquire historic properties or interests in historic properties for its authorized purposes or for resale or lease subject to appropriate preservation covenants;
 - (3) to pay costs, including preparation costs, to restore or rehabilitate historic properties owned by the Trust for:
 - (i) the Trust’s authorized purposes; or
 - (ii) resale or lease subject to appropriate preservation covenants; or
 - (4) to make loans to nonprofit organizations, political subdivisions, business entities, and individuals to:

(i) acquire, rehabilitate, restore, or refinance historic properties; or

(ii) provide short-term financing for costs, including preparation costs, directly related to work that the Trust or the State Historic Preservation Officer requires or recommends to be undertaken before a construction project financed with federal or State money is begun or continued.

(e) (1) The MHT Loan Fund is a continuing, nonlapsing special fund that is not subject to § 7-302 of this article.

(2) The State Treasurer shall hold and the Comptroller shall account for the MHT Loan Fund.

(f) The MHT Loan Fund consists of:

(1) money appropriated in the State budget to the MHT Loan Program;

(2) money received as interest or repayment of principal on loans made under the MHT Loan Program or the Capital Revolving Fund for Historic Preservation;

(3) the proceeds from the resale or lease of property originally acquired by the Trust with money from the MHT Loan Fund or the Capital Revolving Fund for Historic Preservation;

(4) money received from other public or private sources for the benefit of the MHT Loan Fund; and

(5) money received from the sale of general obligation bonds.

(g) Money in the MHT Loan Fund shall be invested in the same manner as other State money.

(h) (1) The Department shall adopt regulations to carry out the purposes of the MHT Loan Program.

(2) The regulations shall include:

(i) application procedures;

(ii) procedures to give adequate notice to the public of assistance available under the MHT Loan Program;

(iii) provisions for the review of plans and specifications;

(iv) provisions for the inspection of projects during construction; and

(v) selection criteria the Trust must consider in evaluating loan applications, including:

1. the relative historical or cultural significance of, and the urgency of need for, the project to be financed by the loan;

2. any proposed contribution by the appropriate political subdivision to the project;

3. the geographic distribution of loan assistance from the MHT Loan Fund; and

4. other relevant factors.

(i) (1) With the approval of the Secretary, for each loan the Trust may set:

(i) the principal amount;

(ii) the maturity;

(iii) the repayment terms; and

(iv) an interest rate that complies with applicable federal regulations governing State borrowing.

(2) A loan from the MHT Loan Fund may be granted at an interest rate lower than rates on other loans from the MHT Loan Fund if:

(i) the loan recipient is a nonprofit organization or a political subdivision; or

(ii) the Secretary of Housing and Community Development determines under § 4-212 of the Housing and Community Development Article that after restoration or rehabilitation, the historic property will be wholly or partly occupied by individuals or families of limited income.

- (3) A loan from the MHT Loan Program may be secured by:
- (i) a mortgage lien, which may be subordinate to other mortgage liens;
 - (ii) a guarantee of repayment; or
 - (iii) another form of collateral acceptable to the Trust.
- (4) Without approval or execution by the Board of Public Works, the Trust may take title to a mortgaged property by foreclosure or by deed in lieu of foreclosure and:
- (i) convey title to a buyer; and
 - (ii) obtain and seek enforcement of a deficiency judgment.
- (5) An individual or business entity may receive a loan only if the recipient can document that private financing is unavailable.
- (6) The Trust shall ensure that no loan is made under the MHT Loan Program to acquire, restore, or rehabilitate a historic property unless the historic property is listed in or eligible to be listed in the Historic Register.
- (j) (1) The Trust shall require the recipient of a loan from the MHT Loan Program to enter into an agreement to preserve and maintain the property.
- (2) If the property is real property, the agreement shall be a recordable historic preservation easement.
- (3) The Secretary may waive the agreement requirement if the Secretary finds that an agreement is impracticable.
- (k) The trustees shall review and make recommendations to the Secretary about loans and expenditures from the MHT Loan Fund, and the Secretary shall approve each loan and expenditure from the MHT Loan Fund.
- (l) (1) To the extent required by regulations adopted by the Secretary and approved by the Board of Public Works, the Secretary shall submit to the Board of Public Works for approval a proposed loan or expenditure from the MHT Loan Fund that will be financed through the sale of State general obligation bonds.

(2) Except for an expenditure under subsection (d)(2) or (3) of this section, a loan or expenditure from the MHT Loan Fund is not subject to Titles 4 and 5 of this article.

(m) On or before December 31 of each year, the Trust shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, to the General Assembly on the financial status and the activities of the MHT Loan Program for the preceding fiscal year.

(n) (1) A person may not knowingly make or cause to be made a material false statement of fact, including an understatement or overstatement of financial condition, in a statement or report in or regarding an application for a loan or affecting an existing loan.

(2) A person who violates this subsection is guilty of a misdemeanor and on conviction is subject to imprisonment not exceeding 2 years or a fine not exceeding \$5,000 or both.

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